CITY OF ELGIN ORDINANCE NO. 144 (2001)
AN ORDINANCE AUTHORIZING A LOAN FROM THE SPECIAL PUBLIC WORKS FUND BY ENTERING INTO A LOAN CONTRACT WITH THE OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

WHEREAS, The City Council (the "Governing Body") of the City of Elgin (the "Municipality") finds:

A. The Municipality is a "municipality" within the meaning of Oregon Revised Statutes 285B.410(1).

B. Oregon Revised Statutes 285B.410 through 285B.479 (the "Act") authorizes any municipality to file an application with the Oregon Economic and Community Development Department ("the Department") to obtain financial assistance from the Special Public Works Fund.

C. The Municipality has filed an application with the Department to obtain financial assistance for an "infrastructure project" within the meaning of the Act.

D. The Department has approved the Municipality's application for financial assistance from the Special Public Works Fund pursuant to the Act.

E. The Municipality is required, as a prerequisite to the receipt of financial assistance from the Department, to enter into a Financial Assistance Award Contract and a Loan Agreement with the Department in substantially the form attached hereto as Exhibits "A" and "B."

F. The project described in Exhibit "A" to the Loan Agreement (the "Project") is an "infrastructure project" within the meaning of the Act which is needed by and is in the public interest of the Municipality.

G. Notice relating to the Municipality's consideration of the adoption of this Ordinance was published at least once in a newspaper of general circulation within the City of Elgin. Such notice was published at least 14 days in advance of the adoption of this Ordinance.

NOW THEREFORE, THE CITY OF ELGIN ORDAINS AS FOLLOWS:

Section 1. Loan Authorized.
The Governing Body authorizes the Mayor to execute the Financial Assistance Award Contract, Loan Agreement, the Promissory Note attached as Exhibit "F" to the Loan Agreement (the "Financing Documents") and such other documents as may be required to obtain financial assistance including a loan from the Department on the condition that the

principal amount of the loan from the Department to the Municipality is not in excess of $ 300,000.00 and the interest rate on such loan is a percent deemed reasonable by the Mayor and in the best interest of the City of Elgin. The proceeds of the loan from the Department shall be applied solely to the "Costs of the Project" as such term is defined in the Loan Agreement.

Section 2. Security.
Amounts payable by the Municipality shall be payable from the sources described in Section 2.07 of the Loan Agreement and the Oregon Revised Statutes Section 285B.443(2) which include:

a. any sources of funds that are legally available to the Municipality,

b. the revenues, if any, of the Project, including special assessment revenues, if any, and

c. the Municipality's general fund including the general revenues of the Municipality, other funds which may be available for such purpose and a pledge of the Municipality's taxing power within the restrictions of Article XI, Section 11 and 11b of the Constitution of the State of Oregon. The obligation of the Municipality to make payments pursuant to the Loan Agreement is a full faith and credit obligation of the Municipality that is not subject to annual appropriation.

Section 3. Additional Documents.
The Mayor is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the Department for the Project pursuant to the Financial Assistance Award Contract and the Loan Agreement.

Section 4. Tax-Exempt Status.
The Municipality covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the Municipality pursuant to the Loan Agreement not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The Mayor of the Municipality may enter into covenants on behalf of the Municipality to protect the tax-exempt status of the interest paid by the Municipality pursuant to the Loan Agreement and may execute any Tax Certificate, Internal Revenue Service forms or other documents as shall be required by the Department or their bond counsel to protect the tax-exempt status of such interest.

Section 5. Reimbursement Bonds.

The Municipality may reimburse expenditures for the Project with amounts received from the Department pursuant to the Financing Documents. Additionally, the Municipality understands that the Department may fund or reimburse itself for the funding of amounts paid to the Municipality pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This Ordinance shall constitute "official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations promulgated by the United States Department of the Treasury with respect to the funding or the reimbursement for the funding of the costs of the Project with the proceeds of the Municipality's loan pursuant to the Financing Documents and with the proceeds of any bonds issued by the State of Oregon pursuant to the Act.

Section 6. Emergency.

In order that there be no delay in financing the Project, an emergency is declared to exist. For the welfare of the people of Elgin, this ordinance shall be in full force and effect upon passage by the City of Elgin Common Council.

PASSED AND ADOPTED THIS 3rd DAY OF JULY 2001;
BY Six (6) COUNCIL MEMBERS VOTING THEREFORE.

Berta Churchill
Berta Churchill, Mayor ☑ YES ☐ NO

John Stover, Councilor ☑ YES ☐ NO
John Braughton, Councilor ☑ YES ☐ NO
Marc Stauffer, Councilor ☑ YES ☐ NO
Pat McMullen, Councilor ~~☐ YES ☐ NO~~ absent
Sharon Glasson, Councilor ☑ YES ☐ NO
John McElravy, Councilor ☑ YES ☐ NO

Joe Garlitz
Attest: Joe Garlitz, City Recorder Date 7-3-2001